

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF OHIO
WESTERN DIVISION

1 DENNIS ALLEN, MARY JANE) Case No: C-1-01-159
2 CRACRAFT, LELAN LITRELL and)
3 GLASS, MOLDERS, POTTERY, PLASTIC)
4 AND ALLIED INDUSTRIAL WORKERS,)
5 LOCAL NO. 41, AFL-CIO,)
6 Plaintiffs,)
7 vs.)
8 LEONARD D. KRISTAL, and JOHN L.)
9 CRARY,)
10 Defendants.)
11 _____)
12 JOHN L. CRARY,)
13 Cross-Claimant,)
14 vs.)
15 LEONARD D. KRISTAL,)
16 Cross-Defendant.)
17 _____)
18 JOHN L. CRARY,)
19 Third-Party Plaintiff,)
20 vs.)
21 SHIRLEY MONROE, SHIRLEY MONROE,)
22 JAMES THELAN,)
23 Third-Party Defendants)
24 _____)
25)
26)
27)
28)

1 **I. FINDINGS OF FACT:**

2 **A. MONROE FUNCTIONED AS AN ERISA FIDUCIARY TO THE HEALTH PLAN
3 AND 401(K) PLAN.**

4 1. Shirley Monroe (“Monroe”) admits that she had the responsibilities of payroll and human
5 resources, and administrating the 401(k) and health benefit plan.
6 a. Declaration of Jennifer Chen, Exhibit A.
7 2. The Great-West online health plan order form shows Polly Jones and Shirley Monroe are
8 plan administrators, and Monroe and Jones talked frequently, sometimes two and three
9 times a day concerning the health plan.
10 a. Declaration of Jennifer Chen, Exhibit B.
11 3. Monroe personally made all payroll deductions, including deductions for the health benefit
12 plan and 401(k) plan, from employees’ paychecks.
13 a. Declaration of Jennifer Chen, Exhibit A.
14 b. Declaration of Jennifer Chen, Exhibit C.
15 4. The payroll service company ADP relied on the deduction information provided to them by
16 Monroe each week to prepare actual paychecks.
17 a. Declaration of Jennifer Chen, Exhibit D.
18 5. Monroe, on behalf of Lassen, worked with the NLRB concerning Lassen’s failure to
19 properly remit deducted 401(k) plan contributions.
20 a. Declaration of Jennifer Chen, Exhibit E.
21 6. No one at Lassen, other than Monroe, was responsible for making payroll deductions for
22 Wright-Bernet employees including all of the plaintiffs in this action.
23 a. Declaration of Jennifer Chen, Exhibit F.
24 7. No one at Lassen, other than Monroe, was responsible for communicating the payroll
25 deductions information to ADP for Wright-Bernet employees including all of the plaintiffs
26 in this action.

1 a. Declaration of Jennifer Chen, Exhibit G.

2 8. Monroe remained employed at Lassen during the entire time period that the health plan was
3 on and off administrative hold and it was clear that deducted health plan contributions were
4 not being properly remitted to the health insurance provider.

5 a. Declaration of Jennifer Chen, Exhibit H.

6 **B. MONROE BREACHED HER FIDUCIARY DUTIES AND CO-FIDUCIARY**
7 **DUTIES.**

8 9. While fully aware that Lassen was not remitting employees' deductions and contributions
9 to the health plan and 401(k) plan, Monroe was still making deductions on the employees'
10 paychecks.

11 a. Declaration of Jennifer Chen, Exhibit I.

12 10. Monroe did not ever express any concern to anyone at Lassen, ADP or insurer Great West
13 about the failure to remit deducted health plan contributions until July 2000.

14 a. Declaration of Jennifer Chen, Exhibit I.

15 11. Monroe had ample opportunities to inform and express her concern to the Lassen
16 management because she talked with the Lassen headquarters in Irvine at least once a day.

17 a. Declaration of Jennifer Chen, Exhibit J.

18 12. Monroe has never spoken with Crary about anything, including the health benefit plan and
19 401(k) plan and the contributions thereto.

20 a. Declaration of Jennifer Chen, Exhibit K.

II. CONCLUSIONS OF LAW:

A. MONROE FUNCTIONED AS AN ERISA FIDUCIARY TO THE HEALTH PLAN AND 401(K) PLAN BECAUSE SHE WAS THE ONLY PERSON AT LASSEN COMMUNICATING WEEKLY PAYROLL INFORMATION, INCLUDING HEALTH PLAN DEDUCTIONS, TO LASSEN'S PAYROLL SERVICE.

ERISA § 3(21)(A); Mertens v. Hewitt Assocs., 508 U.S. 248, 262 (1993); Brock v. Hendershott, 840 F.2d 339, 342 (6th Cir. 1988).

B. MONROE BREACHED HER FIDUCIARY DUTIES AND CO-FIDUCIARY DUTIES, BECAUSE SHE DID NOTHING TO PREVENT THE FAILURE TO REMIT DEDUCTED CONTRIBUTIONS.

ERISA § 404(a)(1)(B); ERISA § 404(a)(1)(D); ERISA § 405(a), 29 U.S.C. § 1105(a)

C. MONROE BREACHED HER FIDUCIARY DUTIES AND CO-FIDUCIARY DUTIES, BECAUSE SHE CONTINUED DEDUCTING HEALTH PLAN CONTRIBUTIONS EVEN WHEN SHE KNEW THAT SUCH CONTRIBUTIONS WERE NOT BEING PROPERLY REMITTED.

ERISA § 404(a)(1)(B); ERISA § 404(a)(1)(D); ERISA § 405(a), 29 U.S.C. § 1105(a)

Dated: November 26, 2003

/s/ Stephen R. Felson

Stephen R. Felson (0038432)
617 Vine St. Suite 1401
Cincinnati, Ohio 45202
Phone: (513) 721-4900
Fax: (513) 639-7011
Email: stevef8953@aol.com

and

Paul David Marotta, California State Bar No. 111812
Jennifer Chen, California State Bar No. 205264
THE CORPORATE LAW GROUP
500 Airport Boulevard, Suite 120
Burlingame, CA 94010
Telephone: (650) 227-8000
Facsimile: (650) 227-8001

1 **CERTIFICATION OF SERVICE**

2 I hereby certify that on November 26, 2003, I electronically filed the foregoing with the
3 Clerk of Court using the CM/ECF system which will send notification of such filing to the
following.

4 David M. Cook (0023469)
5 Stephen A. Simon (0068268)
6 David M. Cook, LLC
7 22 West Ninth Street
Cincinnati, Ohio 45202
Phone: (513) 721-7500
Fax: (513) 721-1178

8 I further certify that on November 26, 2003, I served by following by ordinary U.S. Mail:

9 Leonard Kristal (pro se)
10 107 Diablo Drive
Kentfield, CA 94904

11
12 */s/ Stephen R. Felson*